

1 a atar", to tie, "uh, Borschow y, el negocio de Borschow y Joe  
2 Reyes", ¿qué quiere decir con esto?"

3 A "Pues, que yo estaba buscando que Borschow y Joe  
4 Reyes distribuyeran todos los productos de Graham Field a  
5 través de sus facilidades."

6 I That I was trying to get Borschow and Joe Reyes to  
7 sell all of Graham Field, uh, products through their  
8 facilities.

9 Q And how would that relate to the continuing need to  
10 buy from Tuffcare?

11 I "¿Y qué relación tenía eso a la necesidad continua de  
12 comprarle a Tuffcare?"

13 A "Pues, porque si nosotros dejábamos de comprar los  
14 productos, esos eran los dos (2) distribuidores, los mejores  
15 candidatos que, entendía yo que podían ser los mejores  
16 candidatos a distribuir los productos de ellos."

17 I Because I understood that if we stopped with the, the  
18 Tuffcare products this I understood were the two (2) better  
19 competitors to sell their products.

20 Q So this would be the two (2) better distributors  
21 already established in Puerto Rico that would be best suited to  
22 sell Tuffcare?

23 I "O sea, ¿que estos son los dos (2) mejores  
24 distribuidores ya establecidos en Puerto Rico que estarían  
25 mejor preparados para vender los productos Tuffcare?"

1 A "Sí, que con los productos Tuffcare estarían, eh,  
2 podrían llegar, iban, sabes, a dominar el mercado."

3 I Yes, that with the Tuffcare products they would, uh,  
4 take over the market.

5 Q And were you able to "tie" Borschow and Joe Reyes?

6 I "¿Y tuvo usted que, como dice ahí, "tie", "atar" a  
7 Borschow y Joe Reyes?"

8 A "No."

9 I No.

10 Q "Si", if you have any knowledge did, was, did Graham  
11 Field do so after you left? If you have knowledge.

12 I "Si usted sabe, conocimiento propio, ¿usted sabe si  
13 Graham Field logró hacer eso después que usted se fue? Si lo  
14 sabe."

15 A "No recuerdo."

16 I I don't recall.

17 Q Okay. If I can have one (1) minute just to look over  
18 my notes.

19 MRS. LOURDES PAGAN GONZALEZ:

20 Sure.

21 MRS. MARIANA NEGRON VARGAS, ESQ:

22 Q Um, referring to Exhibit number nine (9), which is a  
23 memorandum dated July 16, 1997... from Irwin Selinger to you...

24 I Refiriéndonos al Exhibit número...

25

1 MRS. LOURDES PAGAN GONZALEZ:

2 "Nueve (9)."

3 INTERPRETER:

4 "...que es un memorando del 16 de julio del '97 dirigido  
5 a usted de parte de Irwin Selinger..."

6 MRS. MARIANA NEGRON VARGAS, ESQ:

7 Q ...in the second paragraph of that memorandum it  
8 says: "Also, please be advised that there is no reason to buy  
9 Tuffcare wheelchairs when we own E & J and that all canes must  
10 be acquired through Temco."

11 I "...en el segundo párrafo dice: "También se le  
12 informa que no hay razón para comprar sillas de ruedas Tuffcare  
13 cuando somos dueños de E & J y que todas, eh, los, los, los..."

14 Q Bastones.

15 I "...bastones deben ser adquiridos a través de Temco."

16 A "Sí."

17 I Yes.

18 Q Yes. Um, did you take that as an instruction that  
19 you should stop buying all wheelchairs from Tuffcare?

20 I "¿Entendió usted eso como una orden de que tenía que  
21 dejar de comprar todas las sillas de ruedas a Tuffcare?"

22 A "Sí."

23 I Yes.

24 Q And was the reason that you continued to buy some  
25 wheelchairs from Tuffcare was the reason that the E & J

1 products were not available always?

2 I "¿Y la razón por la cual usted decidió comprar  
3 algunos, algunas sillas de ruedas de Tuffcare era porque las,  
4 los productos de E & J no estaban siempre disponibles?"

5 A "Sí."

6 I Yes.

7 Q So, would it be safe to say that had the E & J  
8 products always been available you would've stop buying  
9 Tuffcare wheelchairs altogether?

10 I "¿Y...?"

11 MR. KENNETH McCULLOCH:

12 Objection.

13 INTERPRETER:

14 ¿Y podríamos decir que si los productos E & J hubieran  
15 estado disponibles, usted hubiera dejado de comprar totalmente  
16 las sillas de ruedas de Tuffcare?"

17 DEPONENT:

18 "Sí."

19 INTERPRETER:

20 Yes.

21 MRS. MARIANA NEGRON VARGAS:

22 That's all.

23 ...RE-DIRECT EXAMINATION...

24 MR. KENNETH McCULLOCH, ESQ:

25

1 Q The response to your last question... I believe you  
2 just testified that you still wanted to, uh, buy Tuffcare  
3 products because you wanted to maintain the relationship and,  
4 for that reason, you wanted to maintain a reasonable level of  
5 buying, correct?

6 I "Entiendo que a esta última pregunta que usted había  
7 dicho que quería seguir comprando de Tuffcare porque quería  
8 tener, eh, mantener, eh, la relación con ellos y quería hacer  
9 ciertas compras razonables de sus líneas?"

10 A "Sí, porque en ese, en ese momento, cuando yo...  
11 justificaba el comprarle a Tuffcare."

12 I Yes, because at that time I was justified, I would  
13 justify buying from Tuffcare.

14 Q Okay.

15 MRS. LOURDES PAGAN GONZALEZ:

16 Okay?

17 MR. KENNETH McCULLOCH, ESQ:

18 Q And, so, if that meant buying wheelchairs, among the  
19 products, to maintain a reasonable relationship, you would do  
20 that, correct?

21 I "Y eso quería decir que si dentro de esa relación  
22 para mantener, dentro de esas compras para mantener las  
23 relaciones usted compraba sillas de ruedas?"

24 A "¿De Tuffcare?"

25 I From Tuffcare.

1 Q Yes.

2 I "Sí."

3 A "¿Puede repetir la pregunta otra vez?"

4 I Can you repeat the question.

5 Q Yes. If in order to buy products to maintain a  
6 certain level of purchases from Tuffcare...

7 I "Si para poner órdenes y hacer compras para mantener  
8 cierto nivel de compras de Tuffcare..."

9 Q ...you, you had to buy wheelchairs, then you would do  
10 that also.

11 I "...tenía que comprar sillas de ruedas, pues lo  
12 hacía."

13 A "¿Qué tipo de sillas de ruedas?"

14 I Now, what kind of wheelchairs.

15 Q Without specifying.

16 I "Sin especificar."

17 A "Bueno, la única razón que yo compraba de Tuffcare  
18 era porque los productos que no teníamos los cogíamos de  
19 ellos."

20 I Well, the, the reason I would purchase from Tuffcare  
21 was that the products we didn't have we would, they did not  
22 have we, we did not have we would purchase from them.

23 A "Tan pronto los tuviéramos disponibles, al ser  
24 Everest & Jennings manufacturero también, podíamos competir de  
25 tú a tú con Tuffcare."

1 I And as soon as we had them available, being E &  
2 Jennings also besides a, a manufacturer a distributor, we could  
3 compete...

4 MRS. LOURDES PAGAN GONZALEZ:

5 Directly.

6 INTERPRETER:

7 ...directly...

8 MRS. LOURDES PAGAN GONZALEZ:

9 Directly.

10 INTERPRETER:

11 ...with them.

12 MR. KENNETH McCULLOCH:

13 Okay. No further...

14 MRS. LOURDES PAGAN GONZALEZ:

15 Okay. It's 12:40 p.m.

16 \*\*\*\*\*

Mr. McCulloch - Vicente Guzman 12/27/01



3999 E. LA PALMA AVE., ANAHEIM, CA 92807  
TEL: (714) 632-3999 • FAX: (714) 632-3998

August 27, 1996

Mr. Vicente Guzman  
President  
VC Medical Distributors, Inc.  
1536 Ganges Street  
El Paraiso Industrial Park  
Rio Piedras, Puerto Rico 00926

Re: Assignment of Distribution  
Arrangement

Dear Mr. Guzman:

We hereby consent to the assignment of the Distribution Arrangement by and between VC Medical Distributors, Inc. (VC") and the undersigned (the "Distribution Arrangement") to Graham Field Express (Puerto Rico), Inc. ("GFE") upon the closing of the sale of the business and assets of VC to GFE, as provided in your letter of August 17, 1996. All other terms and condition of the Distribution Arrangement shall remain in full force and effect after such assignment.

This letter is also to confirm the Exclusive Sales Agreement is no longer in effect, and both company will continue to do business at good will.

Cordially,

  
Calvin Chang  
Vice President

**TUFFCARE**

A GRAHAM-FIELD COMPANY

**EXHIBIT**  
**28**

A : Personal Administrativo y de Ventas

DE : Vicente Guzmán Jr. *VGJ*

FECHA : 22 de abril de 1997

ASUNTO: Catálogo de Piezas Tuffcare

El día 16 de abril recibimos los catálogos de piezas de las sillas de ruedas Tuffcare. Se le entregará un catálogo a cada personal administrativo y de ventas. Las piezas de las sillas de ruedas Tuffcare son 100% compatibles con las piezas de las sillas de ruedas de Everest & Jennings. En caso de que el cliente necesite saber el precio de alguna pieza el mismo será el doble del precio que aparece en el catálogo. Por ejemplo si el precio de determinada pieza en el catálogo es \$10.00 para el cliente será \$20.00. Importante recordar aumentar el precio al doble.



GRAHAM-FIELD HEALTH PRODUCTS, INC.  
400 Rabro Drive East, Hauppauge, NY 11788 • Phone: (516) 582-5900 • Fax: (516) 582-5608

P. 01  
**EXHIBIT**  
19

*9 McCallouch - Vicente Guzman*  
NR 7/16/97

July 16, 1997

## MEMORANDUM

To: Vicente Guzman  
From: Irwin Selinger  
cc: Sara Figueroa  
Subject: Cetyllite, Wheelchairs, Canes

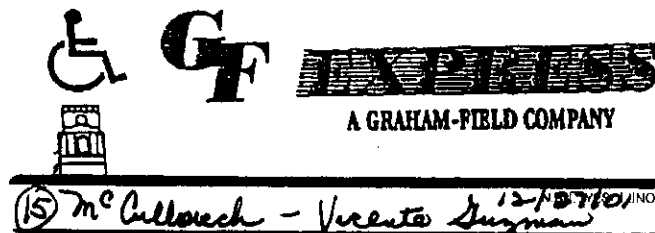
---

Please be advised that Cetyllite products are never to be discounted. We have the exclusive and should not offer any contract pricing.

Also, please be advised that there is no reason to buy Tuffcare Wheelchairs when we own E & J, and that all canes must be acquired through Temco.

Please make sure that your entire staff abides by this memo. If you have any questions, please feel free to contact me.

legfxpr.mem



EXHIBIT

24

TO : Irwin Selinger  
 Jeff Schwartz  
 Peter Winocur

FROM : Vicente Guzmán Jr. *NAF*

DATE : August 29, 1997

SUBJECT: Semi-Electric Beds in Backorders

The main product in our market is the semi-electric bed. After the beds we have wheelchairs, walkers, canes, etc. Our customers concentrate in DME products. We are introducing new products but the situation we have is that it looks more attractive if it's a medicare covered product. The majority of the dealers don't have a show room. They concentrate in Medicare. The new products take more time because we have to give them a full training. The training includes: the patient's use, billing to medicare, etc. We have to cover all the areas. Even though we are giving them new options the DME products are still more attractive to them.

Our competitors: Invacare, Lumex, SSC Medical, etc. are selling at very low prices. This situation forces us to match their prices to be competitive. This situation affects our margins.

For us to receive the products take more time. Is very important to receive what we order. Our competitors take advantage when we are without products. We are not receiving the quantities that we order. This situation puts us in disadvantage in the market. We will have sales of approximately \$630,000.00 for this month without products availability.

The following orders are confirmed for beds and we didn't have the product:

Company	Quantity of Beds
Intermedical	300
LGB Distributor	100
EDN Medical	100
Progressive Medical	50
Atlantis Health Care	40
Oxycare	25
Ryder Memorial Hospital	10
City Health	20
New Life	10
Equipos Médicos de Lares	12
Caribbean Pulmonary	5

Nilko Products	8
Laboratorio San Agustin	15
Medical Distribution	5
Janis Medical	5
Geriatric Medical	6

Some of them are cancelling their orders. This situation affect us in other areas also because where they buy the beds they buy the rest (wheelchairs, bed rails, etc.).


**TUFFCARE**

A GRAHAM-FIELD COMPANY

**EXHIBIT**
**20**

TO : Irwin Selinger

FROM : Vicente Guzmán Jr. *VG*

DATE : September 23, 1997

SUBJECT: Tuffcare

⑩ Mac Cullough - Vicente Guzman 12/23/97

I spoke with my attorney about our situation with Tuffcare. The 75 law protects the distributors. When GF acquired VC Medical as part of the requirements to complete the transaction we sent a letter to Tuffcare cancelling the exclusive distributor agreement between Tuffcare and VC Medical. After this GF continued the relation with Tuffcare, this situation under the 75 law, will activate the agreement between GF and Tuffcare. They approved it this way: every customer that calls Tuffcare they will refer to GF.

The only way that they can use another distributor or open operations here without any problems is if we don't buy from them. In a litigation they will say that we have no interest in their products and that was the reason to open their operation in P.R.

In the case of the regular wheelchairs we can change all the business to E & J but we have some others products that we need to buy from them to provide service to some customers until E & J can have them ready for us.

\*Recliner Wheelchair- 29 per month (18,270.00/Revenue). We order 80 from E & J and it will take 8 weeks to have them ready for us. We have customers ordering right now. We don't have in stock.

\*Motorized Wheelchair-6 per month (13,800.00/Revenue). In this case we have the Metro Power in stock but the Metro Power is for medicare code K0011 and the Tuffcare Wheelchair for code K0012 code. We order from E & J for K0012 code but they have to make it for us and we have customers with orders.

\*Parts-We need parts for motorized wheelchairs with problems.

I recommed to make one more order. The products we will order we will move them fast. In this process I can try to make them change their mind about open a facility here. If they still want to open it we will terminate our business relation and we can try to stop them through the court using the 75 law.

Also in this way they are not going to be aggressive trying to find a distributor. This will give me time to tie Borschow and Joe Reyes' business (Lumex and SSC). I am having meeting with them to maintain the same business relation after the acquisition of Fuqua.

100 Rabro Drive, East  
Hauppauge, NY 11788  
Phone: 516-582-5604  
516-582-5608

**Graham-Field, Inc.**

(17) Mr. Cullough - Vicente Guzman

**EXHIBIT**  
21

# Fax

<b>To:</b>	Mr. Vicente Guzman	<b>From:</b>	Irwin Selinger
<b>Fax:</b>	787-286-0855	<b>Date:</b>	September 23, 1997
<b>Phone:</b>		<b>Pages:</b>	2
	Tuffcore	<b>CC:</b>	

Vicente:

I definitely agree with your analysis on this, please go ahead right away!

Thank you,

*Irwin Selinger*  
Irwin Selinger


**EXPRESS**

A GRAHAM-FIELD COMPANY

TO : Irwin Selinger

FROM : Vicente Guzman Jr. *VA*

DATE : September 23, 1997

SUBJECT: Tuffcare

*I Agree!*

I spoke with my attorney about our situation with Tuffcare. The 75 law protects the distributors. When GF acquired VC Medical as part of the requirements to complete the transaction we sent a letter to Tuffcare cancelling the exclusive distributor agreement between Tuffcare and VC Medical. After this GF continued the relation with Tuffcare, this situation under the 75 law, will activate the agreement between GF and Tuffcare. They approved it this way: every customer that calls Tuffcare they will refer to GF.

The only way that they can use another distributor or open operations here without any problems is if we don't buy from them. In a litigation they will say that we have no interest in their products and that was the reason to open their operation in P.R.

In the case of the regular wheelchairs we can change all the business to E & J but we have some others products that we need to buy from them to provide service to some customers until E & J can have them ready for us.

\*Recliner Wheelchair- 29 per month (18,270.00/Revenue). We order 80 from E & J and it will take 8 weeks to have them ready for us. We have customers ordering right now. We don't have in stock.

\*Motorized Wheelchair-6 per month (15,800.00/Revenue). In this case we have the Metro Power in stock but the Metro Power is for medicare code K0011 and the Tuffcare Wheelchair for code K0012 code. We order from E & J for K0012 code but they have to make it for us and we have customers with orders.

\*Parts-We need parts for motorized wheelchairs with problems.

I recommend to make one more order. The products we will order we will move them fast. In this process I can try to make them change their mind about open a facility here. If they still want to open it we will terminate our business relation and we can try to stop them through the court using the 75 law.

Also in this way they are not going to be aggressive trying to find a distributor. This will give me time to tie Borschow and Joe Reyes' business (Lumex and SSC). I am having meeting with them to maintain the same business relation after the acquisition of Fuqua.